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C O N F I D E N T I A L SECTION 01 OF 02 HONG KONG 002201

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TAGS: PGOV PHUM CH HK

SUBJECT: HKG SCHOLARS SEE LIMITED ROLE FOR HKSAR IN PRC

DEMOCRACY DEVELOPMENT

Classified By: Acting Consul General Christopher Marut for reasons 1.4(b) and (d)

- 11. (C) Summary: Hong Kong scholars and politicians doubt Hong Kong can use "soft power" to influence China's political development. However, they still see many key areas where Hong Kong can serve as a reference for reform on the Mainland, including in corporate governance and compliance, judicial independence, individual rights and civil society, anti-corruption, and education. One Executive Councilor challenges these set assumptions, arguing Hong Kong is missing an opportunity to participate in China's democratic development. He further contends that, to compete with Shanghai, Hong Kong should look to participate in national-level policy making. End Summary.
- 12. (SBU) Hong Kong University recently hosted a conference on Hong Kong's contribution to China's development. The event was organized by several local political think tanks including: SynergyNet, Centre for Comparative and Public Law, Civic Exchange, and Hong Kong Policy Research Institute. Several noted panelists from the public, private and academic sectors participated in the conference including: labor activist Han Dong-fang; journalist and media commentator Leung Man-to; MingPao columnist Kevin Lau Chun-to; Civic Exchange CEO Christine Loh Kung-wai; Legislative Council member Margaret Ng Ngoi-yee (Civic Party); Legislative Council member Albert Ho Chun-Yan (Chairman, Democratic Party); and Columnist Hung Ching-tin. We also discussed these issues with Professor Anthony Cheung Bing-leung, a noted scholar serving on the Executive Council (Hong Kong's cabinet.) A former vice chairman of the Democratic Party, Cheung is a vocal advocate for Hong Kong's active participation in China's evolution.

Leading by Example

- 13. (C) Participants in the HKU conference played down the impact that Hong Kong had in China's political development. Many felt that Hong Kong's influence on the Mainland, whether political or cultural, had been diluted by China's own rapid development. In addition, external influences from Taiwan, Korea and Japan, in the form of alternative political and legal systems, popular TV serials, and fashion and pop culture have further weakened Hong Kong's impact on the Mainland. Journalist and media commentator Leung Man-to believed that Hong Kong would have done better to market its strength in protecting individual freedom instead of democracy, not least because of Hong Kong's own trials in democratic development.
- ¶4. (C) While few saw Hong Kong as able to "lead" the Mainland, most conference participants felt Hong Kong could serve as a "reference point" for China. They specifically cited such core Hong Kong strengths as corporate governance and compliance, judicial independence, public policy, human

rights, NGOs and civil society, financial regulation, business management, consumer product safety, anti-corruption, and education. Many of the conference participants felt that Hong Kong has been particularly useful in the development of NGOs and civil society on the Mainland. Due to bureaucratic and political reasons, many Chinese NGOs incorporate and train their staff in Hong Kong, creating a direct avenue for HKSAR to influence these Chinese organizations. Several participants, including Legislative Council member, Margaret Ng, went a step further, and stated that HKSARG had a moral responsibility and an obligation to set a good example for China.

Splendid Opportunity Not Yet Lost

15. (C) Executive Councilor Professor Anthony Cheung disputed these pessimistic assessments of Hong Kong's influence, and bemoaned Hong Kong's lack of self-confidence. Cheung firmly believed Hong Kong's humanistic culture and values, as well as its strong civil society, could be both a model and an example to the Mainland. Hong Kong is a data point in the Mainland debate over the results and prospects from "reform and opening up." Given its exceptional status under "one country, two systems," Hong Kong has latitude to develop in ways that Mainland cities cannot, and which may provoke questions or discussions among leaders of other Chinese regions and municipalities. Hong Kong can also have a powerful demonstration effect for other major urban centers in China, Cheung said.

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16. (C) Cheung also believed Hong Kong should participate actively in national policy making to serve its own vested interests. Recalling the public debate over whether Shanghai could overtake Hong Kong, Cheung asked rhetorically, "who now has more influence in Beijing?" While Shanghai has people in the Politburo, Cheung noted, Hong Kong has been relegated to working through the Hong Kong and Macau Affairs Office. Cheung believed Hong Kong should therefore make efforts to seek its own access to top-level leaders on the Mainland.

MARUT